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Title	Inter-organisational learning in project based organisations : perspectives on reciprocity
Authors	Abualqumboz, M and Chan, PW
Type	Conference or Workshop Item
URL	This version is available at: http://usir.salford.ac.uk/id/eprint/57230/
Published Date	2013

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BAM2013

This paper is from the BAM2013 Conference Proceedings

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Inter-organisational learning in project based organisations: Perspectives on reciprocity

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Developmental Paper for BAM Conference 2013

Track: Inter-Organizational Collaboration: Partnerships, Alliances and Networks

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Abstract

This developmental paper discusses early research findings on the role that reciprocity plays in fostering or hindering inter-organisational learning in networks. Reciprocity as a social norm in knowledge creation and sharing networks is the main theme of this research. The paper uses two case studies of networks in UK. The qualitative case studies were developed through a mixture of participant observations, semi-structured interviews and casual conversations with network administrators and participants. Reciprocal exchanges were evident in networks. However, variations in what reciprocal exchanges meant for the participants were observed. Consequently, our findings suggest that the taken-for-granted idea that reciprocity is always good should be critically challenged. Often, we have observed asymmetrical reciprocal exchanges in participants tend to expect more from the networks than they would give. Therefore, this research suggests the need for remaining circumspect about the positive outcomes of networks that are often implicitly assumed.

Developmental Paper

Introduction

Knowledge based businesses are highly engaged in different forms of networks which aim generally at creating or leveraging knowledge (Nieminen and Kaukonen, 2001, Contractor and Lorange, 2002). Networks could link organisations together (inter-organisational networks) or teams within the same organisations (intra-organisational networks). Those networks could be strategic alliances, learning networks, or joint ventures. It is now natural to see many supply chains engaged in inter-organisational relationships that go beyond the dyadic relationship which previously dominated the study of market relationships (Love et al., 2002). One interesting form of organisations is the project based organisation (PBO). PBO are characterised by centring their activities on projects rather than traditional hierarchical forms (Whitley, 2006). Projects are characterised by specificity in goal, pre-defined duration, life cycle, and teams that are created at project start and are dissolved at project finish. This poses particular risks the concept of learning especially in the transfer of knowledge (Defillippi and Arthur, 2002).

The current literature assumes that networks in business leverages knowledge and creates learning environment that otherwise could not be found. Network literature suggests that accessibility to knowledge varies within networks in accordance with diversity in members (network range) (Campbell et al., 1986), the hierarchical position of network members in their organisations (network status) (Lin, 1981), the tie strength between members (Granovetter, 1973) and similarity of network members in sociodemographic and behavioural attributes (homophily) (McPherson et al., 2001). While such dimensions have provided deeper understanding of the structural concerns of networks, reciprocity between network members are often assumed to be a given and under-examined. Therefore, this research seeks to investigate how reciprocity plays out in networks.

Theoretical background

Reciprocity in its simplest form is the feeling of gratitude toward others (Gouldner, 1960). This conception is embedded in most social systems and religious beliefs, which makes the human tendency to reciprocate as hypothesis of wide consensus in social science literature (Gouldner, 1960, Fehr and Gächter, 2000, Perugini et al., 2003). While there has been extant literature on the concept of reciprocity, few studies have been undertaken to explore how reciprocity influences and is influenced by inter-organisational learning (IOL). Lubatkin et al. (2001) examined IOL in a distinctive learning environment; an alliance. The alliance aimed at creating knowledge. Knowledge creation is important for innovation environments (Lubatkin et al., 2001) but is limited to organisations whose knowledge domain is heterogeneous and thus are not competitors. In this case, two organisations are *learning together*, creating knowledge that will leverage their innovative processes, and are thus collaborating to build an integrated knowledge repository. However, in knowledge sharing networks, organisations have similar knowledge repositories and thus are competitors (Das and Kumar, 2007).

In this line, it is important to make distinction between IOL and network learning (Knight, 2002). Network learning indicates to learning processes acquired by the network as a learner agency, a case that resembles organisational learning (Knight, 2002) but in wider spectrum whereas IOL indicates to learning processes between individuals from different organisations across organisational borders (Holmqvist, 2003). That is said, network learning views network as a learning entity while IOL views network as a learning context.

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There are different typologies of networks. This research employs the organisational typology of network. There are four types of networks identified within the organisational setting (Knight, 2002) as follows: (1) intra-organisational network which reflects networks of teams within one organisation; (2) flexible networks which reflects networks that flexibly adapts itself to handle different tasks; (3) “strategic network” which reflects legally autonomous networks of high interdependence working to achieve specific tasks; and (4) “wide network” which reflects fragmented networks that are dispersed in proximity and goals but closely connected around mutual interest to achieve certain tasks.

Challenges like knowledge leakage are minimal in knowledge creation networks (i.e. strategic network) which would result in reciprocal exchange to be at maximum. On the contrary, knowledge sharing networks (i.e. wide network) potentially expose current knowledge of organisations to leakage. Knowledge sharing networks (*learning from*) could face challenges that result from the similarity of knowledge domain that could vary in breadth and depth thus posing network participants to the risk of knowledge leakage. As such, reciprocity is considerably challenged. This leaves the IOL that Lubatkin et al. (2001) theorised short of explaining the reciprocal exchanges in networks.

Kerr et al. (1997) proposed that reciprocity could be either positive or negative. Fundamentally, both positive and negative reciprocities fall within the boundaries of equity theory. To that end, the outcomes of positive and negative reciprocities will balance out throughout the course of mutual exchange between reciprocating parties (Kerr et al., 1997). Positive reciprocity refers to the pattern of exchange of rewarding actions where reciprocators will be more inclined to respond positively to positive behaviour contrary to negative reciprocators who will be more willing to respond negatively to negative behaviour.

Research justification

This research aims at developing a deeper understanding of how reciprocity contributes to knowledge dissemination and sustainability in networks which depends on physical presence (Pilbeam et al., 2012). Reciprocity research is still growing and needs more investigation as to how it perpetuates IOL in networks. This subject is under-researched and requires more investigation especially that reciprocity is taken for granted as a moral norm which facilitates exchange between people and organisations (Gouldner, 1960). This concept is challenged when network participants are competitors and have similar knowledge domains that are feared to be leaked. The value of reciprocity it gives to communities is poorly questioned in research as it has been taken for granted (Molm et al., 2007).

Reciprocal exchanges have always been perceived to be beneficial for IOL (Lubatkin et al., 2001). Yet, literature did not show sufficiently why or how this could be achieved especially that in Lubatkin et al. (2001), they suggested creating knowledge was the focus of research thus excluding, for example, knowledge sharing and dissemination. This developmental paper seeks to challenge the taken-for-granted assumption and then to investigate reciprocity in strategic and wide networks inspired by the question “Is reciprocity always good in networks?”. The research will theoretically contribute to better understanding of IOL in networks calling for in-depth conceptualisation of learning within the dimensions of reciprocity i.e. why reciprocity is taken for granted in networks? And how reciprocity helps fostering or hindering IOL in networks? Furthermore, the research will practically inform decision makers in networks on stabilising power differentials and the importance of reciprocity for better learning results.

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Research methods

The descriptive lived experience of network members will be investigated and thus will underpin the primary data that the research relies on. This research will position itself in qualitative domain to investigate how networks evolve over time (Hoang and Antoncic, 2003) and will use case study strategy to investigate the nature of social relations focusing on reciprocal exchanges. The qualitative approach is important to study how networks form, sustain, or dissolve (Jack, 2000, Human and Provan, 2000).

The research uses two case studies, one is from photography industry (wide network) and the second is from supply chain of healthy products (strategic network). The qualitative case studies were developed through a mixture of participant observations, semi-structured interviews and casual conversations with network administrators and participants which mainly included photography companies. The interview sample in the wide network is mainly organisations that have similar knowledge domain in photography including photographers, designers, and editors. While in the wide network interviewees represented organisations that are connected in their supply chain to provide healthy skin products that are based genetic research. In both networks, interviewees represented network coordinators, participants, and organisers. The participant organisations are project based organisations that work in North West region of UK. The case studies document the lived experience in according to different means of documentation that describe the nature of network and its evolution.

The main research method used was interview which included questions on how participants join and participate in networks, why they participate, and how they thank others who have helped them in a network. “Reciprocity”, “knowledge sharing”, and “interorganisational learning” constructs were not used explicitly during the interview, however, they have been embedded indirectly. Twenty five (25) interviews were conducted over a year during which the researcher immersed himself with the network and joined some networking events. Observing the networks provided fresh insights on how participants reciprocated.

Preliminary findings

Grounded on extant literature on reciprocity, it was possible to observe the burgeoning debate and/or ambiguity on the concept of reciprocity. This ambiguity was clearly observed in the empirical evidence from interviews where interviewees’ takes on reciprocity were various and in turn consistent to some extent with the literature. This would invoke further debate on (1) the feasibility of demarcating reciprocity apart from complementarity and altruism, and (2) the feasibility of reciprocity if networks can run in alignment to processes of learning within inter-organisational setting.

Our preliminary analysis of interviews amassed to date reveals a number of key findings. Taking into account the various statements made by interviewees, it seems reasonable to conclude that *IOL* is sufficiently observed to have taken place in the network. However, the focus of interest is the kinds of determinants of reciprocity (e.g. social settings, power differentials, and negative and positive reciprocity, building of trust profile, social history) that can render reciprocity as detrimental or accelerator to knowledge sharing and sustainability.

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Wide Network

When BS (Interviewee 1) was asked why he is connected to three different networks, he replied:

"I like to give a part of me back to the networking people..... I do it as part of my return back to society because what society gives me is an opportunity to network people and get to know different people, some like-minded people."

BS's moral belief is centred on charity. His reciprocal exchange is highly observed in the way that he gives more than he takes which reflects what (Uehara, 1995) concluded; people whose moral belief praises reciprocity are more inclined to favour under-benefiting over either equal-benefiting or over-benefiting. BS was eager to give back to society both emotionally and economically. BS found networks to provide a hub for knowledge exchange that could benefit himself and his organisation (Javernick-Will, 2011, Dyer and Nobeoka, 2002, PRUSAK and Borgatti, 2001).

ME (Interviewee 2) who runs a small photography company that works nationally and internationally is a business owner who abandoned photography networks. Thus, ME has had a totally different point of view than BS. ME believes that networks do not benefit him. ME said:

"I am not interested in talking to people that know less than me because my intention is just to learn. I just want to be a better photographer."

When the researcher asked him why he thinks networks would not teach him, ME just replied:

"And telling other people how a shutter works doesn't teach me anything. I teach, I spend all week teaching, I don't want to spend my weekends teaching as well."

Initially, from the interviews, we found that trust between network members was greatly influenced (negatively or positively) by reciprocal exchanges. When network participants trusted each other they were more likely to contribute to the network (e.g. BS), while on the contrary, when trust faded out, network participants were less likely to contribute (e.g. ME).

The wide network reflected reciprocal exchanges that was the fuel to network dynamics. Participants joined networks to reciprocate with their peers or colleagues with knowledge sharing was the main goal. In some instances, participants reciprocated with the intention to get more information about specific subject from their counterparts. While others refused to reciprocate because of different power levels (i.e. hierarchical organisational levels).

Strategic Network

AD (Interviewee 3) joined the network to participate in the production of genetic research based product. She said:

"Yeah, I like the network as we .. we produced different product which I see is great.. We have huge demand and sales increased beyond levels... (Laughing) Ladies loving our products. But was particularly concerned as one of our team

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member was that type of silent guys. He does not share what he has under his head skin.. He listens carefully but never spoke to me or.. I feel intimidated now to tell him things I value about my work. Had he shown an attitude of sharing his experience with us, I'd have loved discussing many important topics in genetic research...It's just.. it's just not fair! Yeah..”.

The situation is different in strategic network. Our thinking was in line with positive reciprocity conception in strategic network (i.e. participants always positively reciprocate), but we remained open to potential development of this thinking as data are collected. Subsequently, as data collection was rolling, our thinking was challenged when some participants felt reluctant to reciprocate in a network that was purposefully dedicated to produce a common goal. This opened different questions such as why would a participant not reciprocate in an environment grounded on reciprocation?. Does this tendency not to reciprocate problematise network setting?.

Conclusion

This paper is inspired by the question “Is reciprocity always good in networks?” which challenges the taken for granted assumption that reciprocity is always good. Literature on reciprocity suggested that there is an expectation of receiving benefits and not so much on giving benefits. This paper doesn't challenge the status quo but it elaborates on what constitutes reciprocal exchanges. Preliminary findings show asymmetries of expectations in terms of what reciprocity means. These asymmetries can go some way to identify why some reciprocal exchanges work where others fail.

Reciprocal exchanges were important to build up a trust profile although in some instances it failed to do so because of other factors such as power differentials. It is a two way relationship between trust and reciprocal exchanges i.e. social interaction builds up reciprocal exchanges, reciprocal exchanges build up trust and then trust strengthens social interaction.

Implications

This research has implications for theory and practice. Key contribution would be to broaden understanding of reciprocal exchanges in IOL. Implications for practice could inform stakeholder on how to create a better environment for exchanging and sustaining knowledge. Especially in project based organisations, challenges such how to sustain knowledge within the organisation could be alleviated by understanding how reciprocity plays a role in IOL.

Notes on Developmental Paper

The paper is a work in progress as part of our research project on inter-organisational learning in networks. As at submission, data collection completed. But by presenting paper at BAM2013, contributions from reviewers and colleagues will enrich the research findings and sharpen the in depth analysis of findings. At conference, discussion will be illustrated with more live examples from data.

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